

Investment Office Roadmap

Organizational Systems & Controls

Quarterly Target Operating Model Status Report

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Roadmap Objectives

- The 2011-12 Roadmap consists of six strategic priorities:
 - Organization Systems and Controls
- Organization Systems and Controls Objective: Design, develop and implement a robust, integrated operating model that minimizes complexity, improves transparency, and strengthens processes, systems, governance & controls

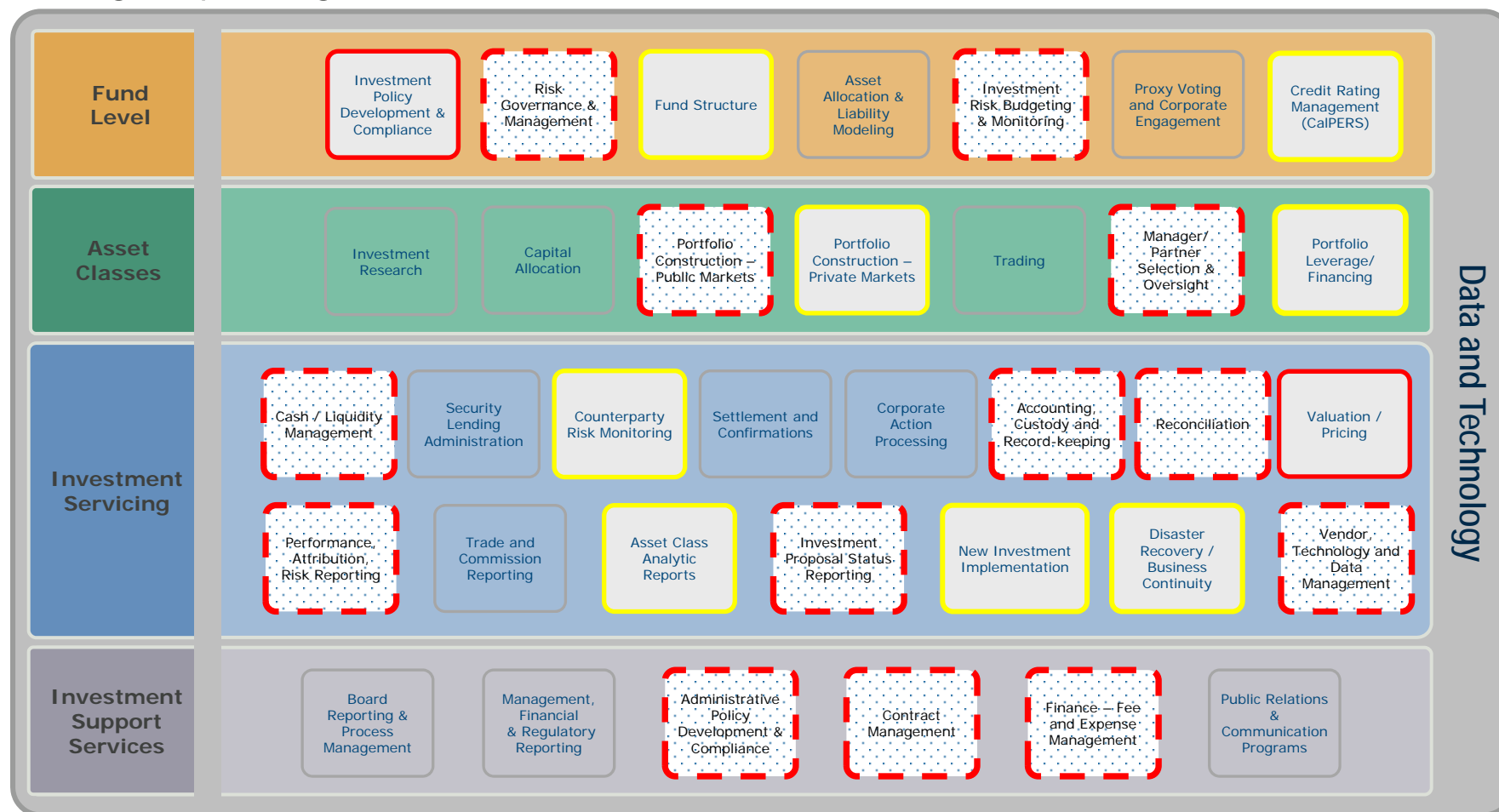


Organization, Systems & Controls Today (FROM)	(TO) Vision
Risk exposure due to inefficient legacy, asset-based "cottage industry" approach geared toward specialized, siloed investment strategies	Efficient, scalable, best-of-breed operating model with clear understanding of controls and risks
Fragmented & incomplete data & infrastructure; impossible to aggregate information for timely investment management & decision making	Integrated data & systems for efficient, timely decision making driving superior investment performance
Unnecessary complexity for the value derived	Appropriate blend of simplicity & complexity
Obscured accountability and unclear roles	Transparent organization structure, roles & processes for clear accountability

INVO Hot Spots - Key Focus Areas

Target Operating Model

Key
 Red – High Priority , Near Term Initiatives (2011)
 Yellow – Medium Priority Initiative
 Others – Business as Usual or Low Priority
 Patterned & Dash Border – Active Work in Progress



Roadmap – Major Initiatives: Sequence and Status

Initiative	Initiative Status	2011				2012				2013			
PM2: "Public Markets Portfolio Management" (formerly IEPC)	R												
Custody, Fund Accounting & Performance	G												
Investment Risk Management	G												
Contract & Vendor Management	G												
Administrative Policies & Monitoring	A												
Manager Selection & Monitoring	A												
Finance / Expense Management	A												
Operating Risk Governance & Management	G												
Fund Structure & Fund Expenses	A												
Public Records Request Procedures	N/A												
Investment Policy Development & Monitoring	N/A												
Cash / Liquidity Management	N/A	*	*										
Pricing / Valuation	N/A	*	*										
Technology Management	N/A	*	*										
Data Services (Governance)	N/A	*	*	*									
Private Assets IBOR & Accounting	N/A												
Performance Attribution & Analytics	N/A	*	*	*	*	*							
CRM - Salesforce Expansion	N/A												
Records Retention & Document Management	N/A												

* incremental and / or targeted work underway
N/A: Major Initiatives not started

G On Target

A Needs Attention

R Major issues which will impact Initiative timeline

Major Accomplishments Since Last Update:

Target Operating Model Initiatives
Custody, Fund Accounting & Performance
✓ Awarded Contract to Master Custodian
✓ Transitioned Core Services for all Portfolios to New Service Model with Master Custodian
Investment Risk Management
✓ Completed Investment Risk System Analysis and Design
Administrative Policies & Monitoring
✓ Finalized and Published Travel Policy
Manager Selection & Monitoring
✓ Developed Alternative Solicitation Process for Investment Managers
✓ Implemented an Automated Investment Proposal Tracking System (IPTS) Summary Report
✓ Finalized Real Estate Reorganization and Role Definition
Operating Risk Governance & Management
✓ Developed and Implement New Investment Review Template
Cash / Liquidity Management
✓ Implemented Foreign Currency Repatriation Plan
Technology Management
✓ Completed Business Continuity Plan Awareness with Investment Office Staff

Key Deliverables Over the Next 6 Months:

Target Operating Model Initiatives	
Public Markets Portfolio Management (PM2)	
<input type="checkbox"/>	Finalize PM2 Contract and Begin Implementation
Custody, Fund Accounting & Performance	
<input type="checkbox"/>	Complete Transition to Master Custodian's New Enhanced Service Model
<input type="checkbox"/>	Implement T+1 Daily Hard Close Process
<input type="checkbox"/>	Implement CERBT Record Keeping
Investment Risk Management	
<input type="checkbox"/>	Complete Testing and Go Live with New Risk Management System (BarraOne)
Administrative Policies & Monitoring	
<input type="checkbox"/>	Implement Pre-Clearance Process and Conduct Staff Training for Travel Policy
<input type="checkbox"/>	Launch Delegated Authority Review
Manager Selection & Monitoring	
<input type="checkbox"/>	Charter Rapid Results Team to Develop Manager Monitoring and Selection Standards Across Asset Classes
Finance / Expense Management	
<input type="checkbox"/>	Complete Financial Reporting Re-engineering Project
Operating Risk Governance & Management	
<input type="checkbox"/>	Rapid Results Project: Implement Operating Event Measurement and Escalation Process
Fund Structure & Fund Expenses	
<input type="checkbox"/>	Define appropriate structure and implement for Long Term Care and Health Care Fund

Continued - Key Deliverables Over the Next 6 Months:

Target Operating Model Initiatives	
Technology Management	
<input type="checkbox"/>	Complete review and refresh of INVO Disaster Recovery and Business Continuity Plan
Performance Attribution & Analytics	
<input type="checkbox"/>	Rapid Results Project: Consolidate Investment Board Reporting Package
<input type="checkbox"/>	Rapid Results Project: Develop CIO Report Package for INVO Executive Staff